

Copper Mines of Tasmania Pty Ltd

Exploration Licence 52/1994 – Linda

Report for the period ending 13th January 2001

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EXECUTIVE SUMMARY

No work has been carried out on EL 52/1994 - Linda since 13th December 1998.

Under the *Exemption From Conditions* as issued by the Minister exploration work is scheduled to start on 31st March 2001.

This report summarises findings from previous CMT exploration work and outlines proposed future exploration programmes.

INTRODUCTION

Exploration Licence EL 52/94 was granted on 2nd February 1995 and is held 100% by Copper Mines of Tasmania Pty Ltd (CMT). At the end of Year 4 (i.e. at 13th January 1999) 50% of the EL was partially relinquished.

The EL is bounded to the west by the Mt Lyell Mining Lease (1M/95) and to the east by Lake Burbury. The bulk of the licence is comprised of the Chamounix (Linda) Valley.

Subsequent to financial difficulties and appointment of an Administrator to Mt Lyell Mining Ltd. in December 1998, CMT under the ownership of the Sterlite Group was granted an *Exemption From Conditions* by the Minister. Hence no work has been carried out on EL 52/1994 over the reporting period. This exemption is due to expire on 30th March 2001.

This report reviews the status and prospectivity of the EL and outlines proposed exploration which is due to continue as from 31st March 2001. At this stage the proposed exploration is still under review and is expected to be confirmed closer to the date of exemption expiry. The proposed programme is guided by the results of previous exploration and is intended to concentrate on three prospective areas: Chamounix Zinc, Burbury Volcanics and the North Lyell fault, and the Gormanston area.

LAND TENURE

EL 52/94 Linda covers an area of 20km². The western boundary of the EL is the eastern boundary of the Mt Lyell Mining Lease 1M/95. Lake Burbury lies on the eastern boundary of the EL. The central part of the licence covers the Chamounix (Linda) Valley and to its north east part of the Sedgewick (Comstock) Valley. Mt Owen and the Thureau Hills lie along the southern limits of the licence. The Lyell Highway runs through the middle of the EL and includes the town sites of Gormanston and Linda.

Approximately 50% of the EL was relinquished towards the end of Year 4 reducing the licence area from 37km² to 20km².

Exclusions from the EL comprise 1 km² of Crown Reserves associated with the Gormanston and Linda town sites, 5km² Hydro Electric Commission land, including Lake Burbury, and a 4 hectare Mining Lease (2W/88 – Wiggins and Batchelor Pty Ltd). Mining Lease 7M/98 covering surficial gravels in the SE of the Linda Valley is not held by CMT.

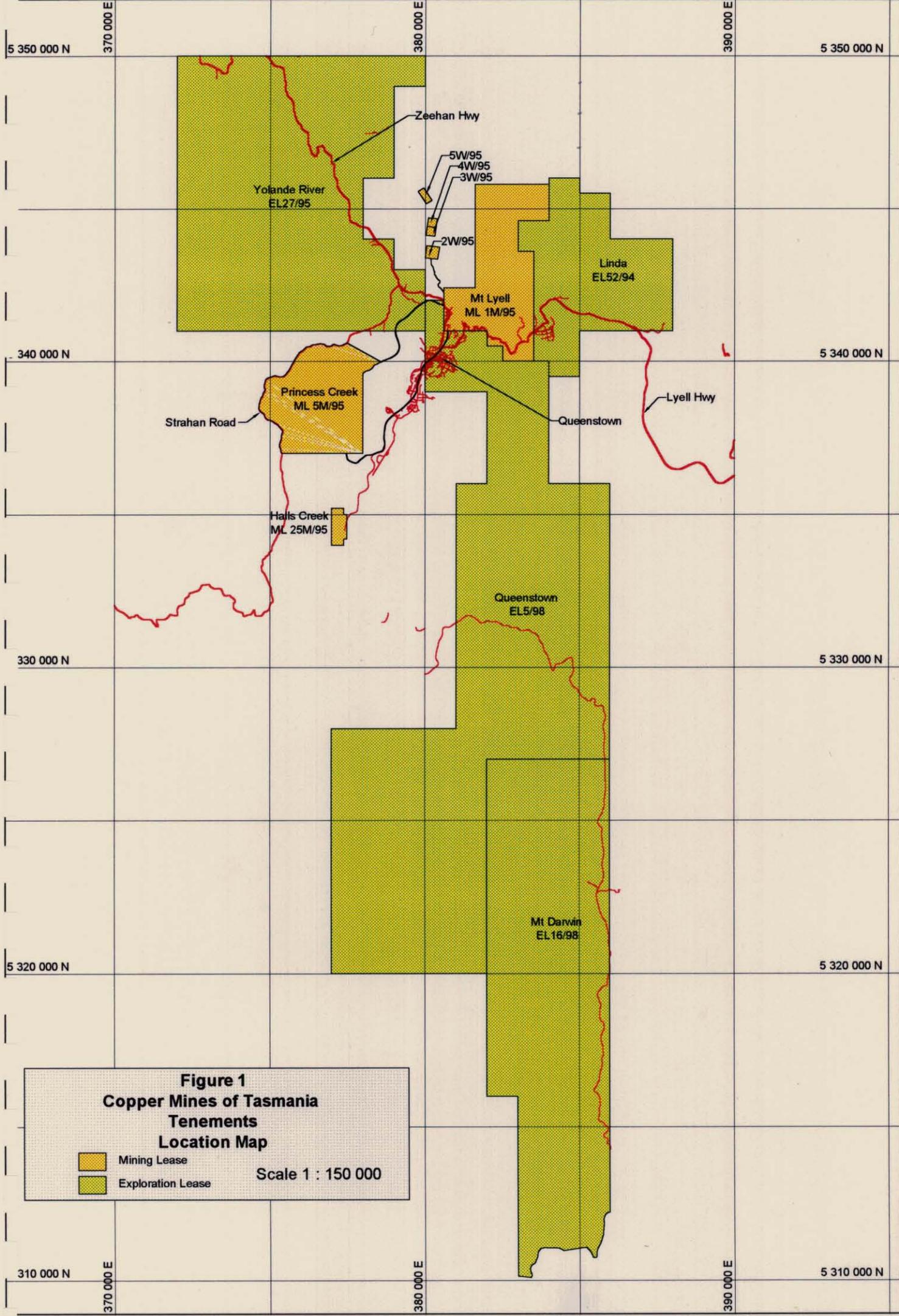


Figure 1
Copper Mines of Tasmania
Tenements
Location Map

Scale 1 : 150 000

Orange box: Mining Lease
Green box: Exploration Lease

5 cm

REGIONAL GEOLOGY AND PREVIOUS EXPLORATION

(a) Regional Geology

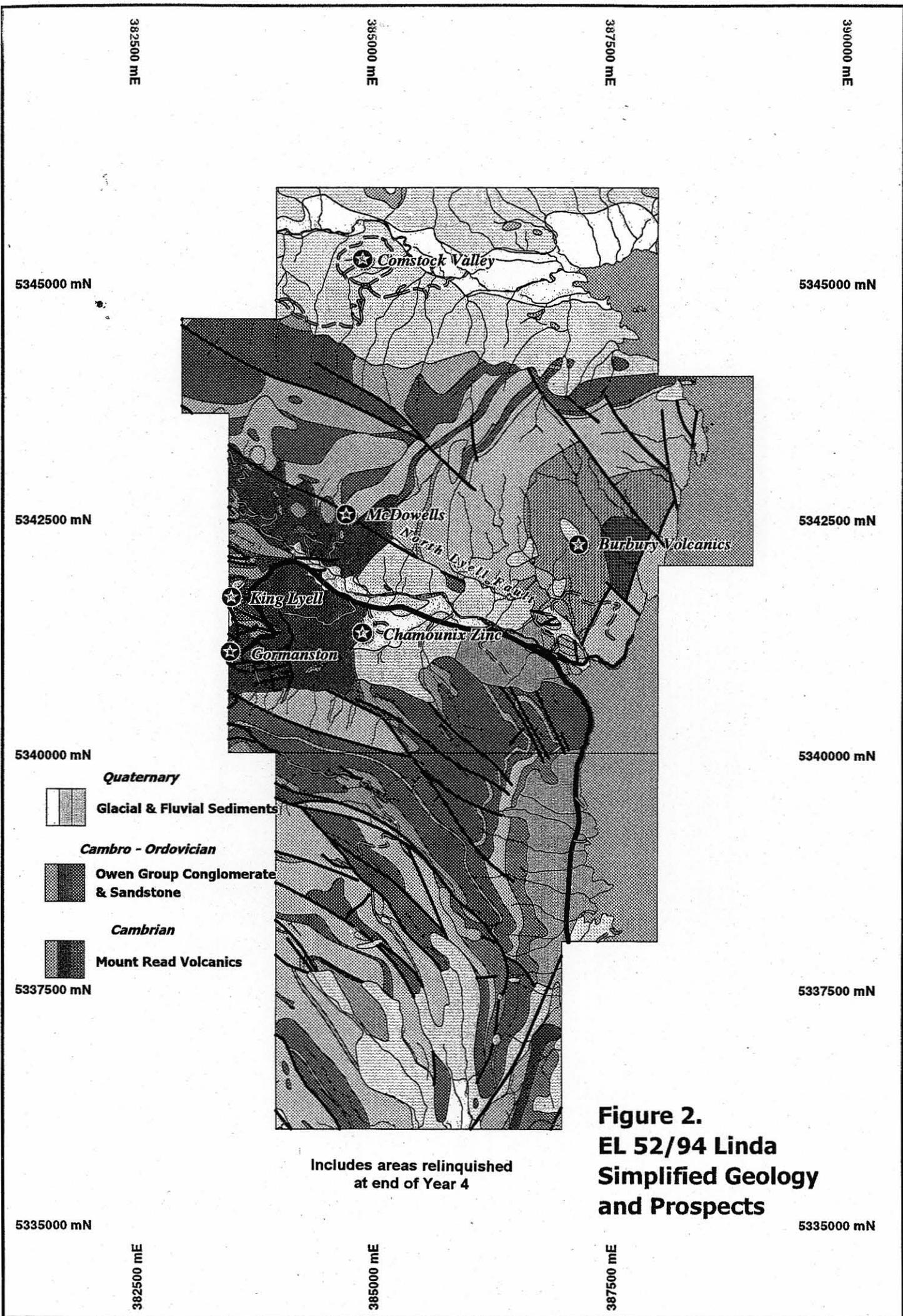
The topography of the EL is dominated by Owen Group conglomerates and sandstones. Minor Gordon Group limestones outcrop extensively in the west. Mount Read Volcanics are present to the east (Burbury Volcanics). An extensive sheet of recent glacial and fluvial sediments blanket the geology in the northern and central parts of the EL.

(b) Pre CMT Exploration

Details of pre CMT exploration activities are given in the reports for Years 1 through 4. Table 1 summarises the results of that work.

Table 1 Summary of Pre – CMT Exploration

Year	Company	Licence	Exploration Summary
1966-67	Placer Exploration Ltd.	SPL-6	Linda Valley - gridding, SP survey, soil geochemistry.
1966-84	Mt Lyell Mining and Railway Co. Ltd.	ELs 9/66, 10/69 and Leases	Linda Valley - gridding, IP, SP and EM surveys. Drilling; King Lyell (Copper Clays), Gormanston (conceptual Great Lyell fault), Comstock Valley (IP anomaly, Gordon Limestone).
1984-87	Goldfields Exploration Pty. Ltd.	ATP Queenstown	Linda Valley - stream sediment survey and moss geochemistry. Drilling; Gormanston (conceptual Great Lyell fault) McDowells – old gold workings and North Lyell fault.
1985-88	CRA Exploration Pty. Ltd.	EL 5/85	Comstock Valley - stream sediment geochemistry.
1987-91	BHP Minerals Ltd.	EL 102/87	Comstock Valley – gridding and EM survey. Drilling; Comstock Valley (EM anomaly, Gordon Limestone). Relogging MLMRC Comstock and McDowells drill core. Comstock and Linda Valleys - stream sediment geochemistry.
1988-93	Aberfoyle Resources Ltd.	EL 5/85	Reconnaissance mapping – east Mt Lyell.



Includes areas relinquished at end of Year 4

Figure 2.
EL 52/94 Linda
Simplified Geology
and Prospects

(c) CMT EL 52/94 Exploration Summary

Year 1 - 1995

- Helimagetics survey flown by UTS.
- Literature review of previous exploration.
- Copper Clays study (Wills, 1995).
- Reconnaissance mapping and prospect confirmation at:
 - Chamounix Zinc
 - Burbury Volcanics
 - King Lyell Copper Clays
 - North Lyell Fault Zone

Year 2 - 1996

- Chamounix Zinc: Outcrop and costean mapping and rock chip sampling. Two percussion drill holes gave best intersection down hole of 12 metres @ 2.1% Zn in the weathered zone.
- King Lyell: Outcrop mapping and sampling. Three percussion gave best intersection down hole of 8 metres @ 3.5% Cu.
- Burbury Vocanics: Stream sediment survey produced several gold and base metal anomalies. Weak copper, gold and lead mineralisation detected in outcrops of silica-hematite-pyrite altered Tyndall Group volcanoclastics.

Year 3 - 1997

- ERA Maptec study of major structures based on local and regional geology, magnetics and gravity.
- King Lyell resource estimate of 1.2 million tones @ 1.37% Cu. Preliminary metallurgy and economic investigations concluded the project was probably sub-economic and further exploration was postponed.
- Burbury Volcanics: Grid based magnetics and soil surveys completed. A broad gold in soil anomaly detected over the basal Tyndall Group stratigraphy.

Year 4 - 1998

- Chamounix Zinc
A CSAMT anomaly identified on a single regional survey line was drill tested with an RC percussion hole that was diamond tailed to depth of 120 metres. Surface geology was interpreted to be synformal Gordon Limestone overlain by glacial gravels. The drill hole returned base metal assays of 0.14% Zn and 0.012% Pb at a depth of 78-79 metres, as well as elevated background Ag throughout the interval sampled. Conductivity measurements did not show any significant variations. Lead isotopes yielded a typical Ordovician Gordon signature (Pb206/204 = 18.143, Pb208/204 = 38.469) with one interpretation

being redeposition of Cambrian-aged lead by Ordovician fluids. The CSAMT anomaly has not been fully explained and requires further exploration.

- Comstock Valley

Review of previous exploration identified weakly developed sulphide mineralisation at the base of dolomitised carbonaceous limestone identified by EM survey. Reassessment and interpretation indicated potential for the stratabound EM anomaly to extend to the SE under Eldon Group cover. The similar geological setting and geophysical responses to the Linda Valley enhances the prospectivity of the Comstock Valley.

- McDowells prospect

Previous work was reviewed and followed up by mapping, rock chip sampling, and relogging/resampling of drill hole G14/14A. The resampling exercise focused on gold with all results being below detection limit (<10 ppb). Reinterpretation concluded a substantial original carbonate content to the host rocks, and reverse movement on the North Lyell Fault. No further work was recommended on this prospect.

PROPOSED PROGRAMME

The proposed exploration programme is intended to focus on the prospective areas delineated by previous exploration carried out by CMT over the preceding 4 years. The proposed programme is still under review and will be confirmed closer to the date of expiry of the exemption.

□ Chamounix Zinc

The drill tested but still unexplained CSAMT anomaly in the Linda valley requires further exploration. A programme of grid based IP and closely spaced gravity is proposed to cover the extent of the anomaly and favourable surrounding geology.

□ Burbury Volcanics

In the Burbury Volcanics additional mapping and surface geochemistry, followed up with surface geophysics is proposed to confirm drill targets in the area of existing outcrop, soil and stream sediment anomalies.

□ Gormanston

Subsurface geology in the Gormanston area requires interpretation with emphasis on known alteration/mineralisation close to the boundary with 1M/95. This will entail literature review, reconnaissance and mapping, with soil and rock chip sampling.

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